



1050 Connecticut Avenue, NW
Suite 500
Washington, D.C. 20036

Cynthia B. Schultz, Esq.
Tel.: 202-361-6550
cschultz@broadbandlawgroup.com

October 19, 2018

By Electronic Filing ECFS

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Modernization of the E-Rate Program*, WC Docket 13-184

Dear Ms. Dortch,

On Tuesday, October 16, 2018, I met in separate meetings with Nirali Patel, Wireline Advisor to Chairman Ajit Pai, and Arielle Roth, Wireline Legal Advisor to Commissioner Michael O'Reilly. Sam Buck, Managing Director of Education Systems at Illinois Office of the Governor, and Essam El-Beik, Consultant, Illinois Department of Innovation and Technology participated by telephone in both meetings. Lori Sorenson, Chief of Network Operations, Illinois Department of Innovation and Technology, participated by phone in the meeting with Ms. Patel.

During the meetings we discussed the suspension of the E-rate amortization requirement in the *Second Modernization Order*,¹ which allowed special construction (upfront, nonrecurring) costs to be paid in the first year of the project, as opposed to requiring amortization over at least three years for non-recurring costs in excess of \$500K. The suspension of the amortization policy is set to expire on June 30, 2019.

The *Second Modernization Order* also specifically allowed state funding to be used for the applicants' non-discounted portion of special construction projects, in conjunction with an Administrator's match not to exceed 10%. Twenty-two (22) states provide state funding for special construction projects.

¹ *Modernizing the E-rate Program for Schools and Libraries*, W.C. Docket No. 13-184, Second Report and Order and Order on Reconsideration, 29 FCC Rcd 15538, ¶¶ 16-21 (2014) (*Second Modernization Order*).



Currently, the State of Illinois has appropriated \$17M in state funding for the build out of high speed special construction infrastructure projects envisioned in the *Second Modernization Order*. Specifically, with respect to these special construction projects, we urged the Commission to remove the amortization requirement or, in the alternative, to extend the suspension for an additional four years. We explained that without the extension, the State of Illinois, as well as many other participating states and E-rate stakeholders, will not be able to utilize the state funding to bring high-speed broadband to eighty (80) underserved rural school districts, as well as other schools and libraries throughout the state.

Please direct any questions regarding this matter to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Cynthia B. Schultz', written in a cursive style.

Cynthia B. Schultz
Counsel to Illinois Department of Innovation and Technology

cc: Nirali Patel (via e-mail)
Arielle Roth (via e-mail)